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April 21, 2020

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to express our great concern over the failure of the interim coronavirus response bill to address adequately the urgent need to safeguard the health and safety of working people, and the failure to provide additional fiscal assistance to overwhelmed and beleaguered states, cities and municipalities. Without question the bill does provide urgently needed resources to businesses and health care providers, but failure to address these broader needs means more working people will be placed at risk. It also means that state and local governments that are already struggling will see their ability to provide vital services that keep residents safe and secure further compromised. The key to opening the national economy is to keep governments functioning at a high level. Failing to provide timely fiscal relief further weakens state and local economies and harms the economic security of all.

States and localities desperately need immediate direct, unrestricted federal assistance to continue delivering vital public services amidst rapidly rising spending needs and plunging revenues. The record shattering claims of 22 million newly unemployed Americans in the last 4 weeks and the resulting recession make the case for federal assistance obvious. Unfortunately, state and local income tax, sales tax, business tax, and related revenues are significantly declining as a result of the Coronavirus pandemic. Based on the Goldman Sachs' economic forecast and data from past recessions, states will likely face shortfalls of about \$500 billion through 2021. The urgent need for a federal response is being made crystal clear by the lengthy bipartisan list of governors, mayors, county officials, and other elected officials, whose jurisdictions are already suffering huge revenue shortfalls and budget overruns. Without further federal fiscal relief, state and local public services will decline significantly amidst balanced budget requirements and the almost inevitable layoffs and furloughs, service cutbacks, budget cuts and more. When our economies start to reopen these budget problems will further delay and weaken the national recovery. Now is the time to provide direct grants to states and localities. In addition, AFSCME strongly advocates for flexible unrestricted grants. Congress must also provide additional funding to school systems across the country that are struggling to meet education needs at this difficult time.

As unemployment increases reliance on Medicaid programs will grow to meet the need, likely enrolling millions of people who would otherwise become uninsured

American Federation of State, County and Municipal Employees, AFL-CIO

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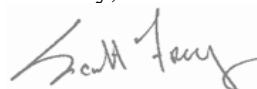
during this pandemic. It is vital that Congress increase the federal share of Medicaid (known as FMAP). AFSCME urges Congress to enact, at minimum, another 15-percentage point increase in FMAP, on top of the 6.2 percentage points provided in the Families First Act, which is essential to address emerging needs. These higher rates should be made retroactive to January 1, 2020 and extended to December 31, 2021. The increase is necessary to ensure states can fund rising Medicaid caseloads without diverting resources from other critical services.

It is also unfortunate that Congress has failed to require that Occupational Safety and Health Administration (OSHA) immediately issue a temporary emergency standard on the COVID-19 infectious disease or take the unprecedented step of creating such a standard directly in statute given the administration's obstinance on this issue. Protecting workers on the front lines slows the spread of the disease and helps maintain our capacity to meet surging demand for care and other needed services. Yet, current federal law fails to protect many state and local government workers who are at elevated risk of exposure to COVID-19 because their state does not have an approved OSHA state plan covering them. Therefore, Congress must make sure that all state and local government workers who are at elevated risk of exposure to infectious disease such as the novel Coronavirus are also covered by this standard. Congress must also fill the unwarranted and overly broad gaps in paid leave coverage as implemented by the Department of Labor.

There is also much more Congress must do to protect families from the high cost of COVID testing and treatments, including to keep their job-based health plan by providing time-limited federal help to pay the full cost of Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) premiums for workers or the full cost of health insurance premiums owed by workers who are furloughed. Congress should also ensure that the leave provisions enacted earlier are extended to all workers. Further changes in the unemployment insurance benefits are also needed. And Congress should direct the administration to fully invoke the Defense Production Act (DPA) and take all necessary actions to ensure firms manufacture, allocate, and distribute an adequate quantity of Personal Protective Equipment (PPE) like N-95 respirators, COVID-19 Testing Kits, ventilators, and other essential medical supplies to health care providers, front-line public service workers and related facilities, patients, and affected Americans.

We regret that these and other urgent needs were not addressed in this bill. Moving forward, in addition to the help this bill provides to address health care needs, Congress must make it a priority to protect individuals and institutions that we rely on to serve all people in this country. Our nation will bear the human cost of this coronavirus pandemic for years to come. We look to Congress for bold action to alleviate the most painful effects on our economy. We look forward to working with you to make sure that these important additions are included in the next coronavirus response bill.

Sincerely,

A handwritten signature in black ink that reads "Scott Frey". The signature is written in a cursive, slightly slanted style.

Scott Frey
Director of Federal Government Affairs